



State of Utah

Department of Natural Resources

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas & Mining

JOHN R. BAZA
Division Director

JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

March 15, 2007

Mr. Richard W. Thomsen, Senior Vice President
Bank of American Fork
1280 South 800 East
Orem, Utah 84097

Subject: Authorization for Release of Certificate of Deposit (CD) and Termination of CD Letter Agreement, Redmond Minerals, Inc., Redmond Minerals Mine, M/039/002, Sanpete County, Utah

Dear Mr. Thomsen,

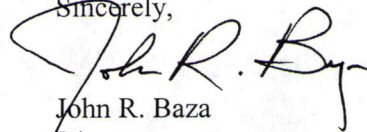
Bank of American Fork is presently holding a Certificate of Deposit, account number 70027635, for the benefit of the State of Utah, Division of Oil, Gas and Mining as a form of reclamation surety for Redmond Minerals, Inc. for their Redmond Minerals Mine.

The Operator, Redmond Minerals, Inc., has substituted this form of surety with another that has received Division approval. Therefore:

- The Division authorizes Bank of American Fork to release the full deposit amount of \$258,100.00 along with any accrued interest to the Owners, or their legal successors-in-interest;
- The unconditional control of the CD shall be returned to the Owner;
- The terms and conditions associated with the CD Letter Agreement are no longer in effect;
- The enclosed copy of the CD letter agreement is now terminated.

If you have any questions or require further discussion regarding the content of this letter, please contact Ms. Beth Ericksen, (801) 538-5318.

Sincerely,


John R. Baza
Director

JRB:BE:be
enc: cd letter agreement
cc:

Lynn Kunzler, OGM
Beth Ericksen, OGM
Jason Haddock, Redmond Minerals 475 W 910 S HEBER CITY UT 84032
P:\GROUPS\MINERALS\WP\M039-Sanpete\M0390002-SouthRcsSalt\final\releasecdredmond.doc





JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

State of Utah
DEPARTMENT OF NATURAL RESOURCES
Division of Oil, Gas & Mining

MICHAEL R. STYLER
Executive Director

MARY ANN WRIGHT
Acting Division Director


February 17, 2005

Bank of American Fork
1280 South 800 East
Orem, Utah 84097

SUPERCEDED

RECEIVED

FEB 17 2005

Surety replaced with
letter of credit 3/27/07 

DIV OF OIL GAS & MINING

Attention: Richard Thomsen, Senior Vice President

Subject: Reclamation Surety, Certificate of Deposit for Redmond Minerals, Inc.'s Redmond Minerals Mine Site, M/039/002, Sanpete/Sevier County, Utah
Certificate of Deposit no. 70027635; Principal Amount \$258,100.00

This letter describes the mutually agreed upon instructions of the below signed parties to Bank of American Fork Bank ("Bank"), regarding the control, redemption, and release of Bank's above-described certificate of deposit ("CD"), which is being used as a surety to guarantee the availability of reclamation funds for the Redmond Minerals mine site ("Mine Site"), Sanpete/Sevier County, Utah. It is the intention of the parties that the CD be utilized as surety to guarantee that \$258,100.00 in reclamation funds will be available to the State of Utah, Division of Oil, Gas & Mining ("Division") upon demand in the event that the operator(s) of the Mine Site are unable or unwilling to complete reclamation of the mine site in compliance with applicable state law and regulations.

Ownership and Renewal:

Ownership of the CD is retained by Redmond Minerals, Inc., a Utah corporation, ("Owners"), but it is held by Bank for the benefit of the State of Utah, Division of Oil, Gas & Mining and is subject to the terms and conditions described in this agreement. The CD shall automatically renew indefinitely until either redeemed or released by the Director of the Division.

Redemption:

The CD may only be redeemed (i.e., called on demand), pursuant to the written instruction or demand of the Director of the Utah Division of Oil, Gas & Mining to the Bank. Upon the instruction and demand of the Director, the full initial amount of the CD shall be transferred to the State of Utah, Division of Oil Gas and Mining. Owners agree and irrevocably instruct Bank that neither the Owner(s), nor any other person

claiming an ownership interest in the CD which is derived from the Owners, shall have the authority to prevent the Bank from carrying out the Director's instruction to redeem the CD. Upon redemption, any accrued interest in excess of the initial amount of the CD shall be transferred to Owners' control, or if Owners do not instruct the Bank, the accrued interest shall be reinvested in the CD. If a signature card is prepared, it shall be drafted consistent with the requirement that only the Director of the Division may redeem the CD.

SUPERSEDED

Release:

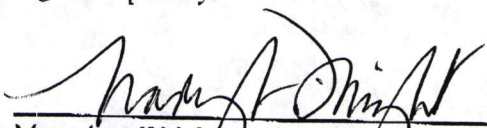
The bank shall release the CD only upon the written instruction of the Director of the Division to the Bank. Upon release, the terms and conditions of this agreement are no longer in effect, and the unconditioned control of the CD shall be returned to the Owners, or their legal successors-in-interest.

Accrued Interest:


Prior to release or redemption, all interest which accrues by the CD shall be 1) dispersed quarterly to the Owner(s) as the Owner(s) may instruct the Bank, or 2) shall be reinvested in the CD until such time the Owner(s) may instruct the Bank where to transfer such interest. In no event shall the Bank transfer any amount from the CD which would cause the redemption amount of the CD to be less than the initial amount, \$258,100.00. All tax liabilities for accrued interest shall remain the responsibility of the Owners.

Bank will not be held liable for any dispute between the parties.

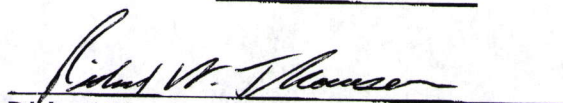
Agreed Upon By:


Mary Ann Wright, Acting Director
Utah Division of Oil, Gas & Mining

Date: 2/25/05


Rhett Roberts, President
Redmond Minerals, Incorporated
Tax ID Number: 87-0277621

Date: 2/16/05


Richard Thomsen, Senior Vice President
Bank of American Fork

Date: 2/16/05

O:\M039-Sanpete\m0390002-southres-salt\final\cdcover-ltr.doc

COPY

Date Opened: 02/16/05 Term: 60 Month(s) Tax ID: 87-0277621 Number: 70027635

Certificate of Deposit

Account Number: 70027635

Amount of

Deposit: Two hundred fifty eight thousand one hundred & no/100 \$ 258,100.00

This Time Deposit is Issued to:

Issuer:

REDMOND MINERALS, INC.
HELD FBO STATE OF UTAH DIVISION OF
OIL, GAS AND MINING
HOLD STATEMENT FOR LARRY MINER

Bank of American Fork

1280 South 800 East
Brem, UT 84057

Not Negotiable - Not Transferable - Additional terms are below.

By Angie Welling
ANGIE WELLING

Additional Terms and Disclosures

This form contains the terms for your time deposit. It is also the Truth-in-Savings disclosure for those depositors entitled to one. There are additional terms and disclosures on page two of this form, some of which explain or expand on those below. You should keep one copy of this form.

Maturity Date: This account matures 02/16/10
(See below for renewal information.)

Rate Information: The interest rate for this account is 3.9000 %
with an annual percentage yield of 3.96 %. This rate will be
paid until the maturity date specified above. Interest begins to accrue on
the business day you deposit any noncash item (for example, a check).
Interest will be compounded N/A
Interest will be credited quarterly
deposited to Checking #2115459

☒ The annual percentage yield assumes that interest remains on deposit
until maturity. A withdrawal of interest will reduce earnings.

☒ If you close your account before interest is credited, you will not
receive the accrued interest.

The NUMBER OF ENDORSEMENTS needed for withdrawal or any
other purpose is: 1

Minimum Balance Requirement: You must make a minimum deposit to

open this account of \$ 100,000.00

☒ You must maintain this minimum balance on a daily basis to earn the
annual percentage yield disclosed.

Withdrawals of Interest: Interest ☐ accrued ☐ credited during a
term can be withdrawn:

Early Withdrawal Penalty: If we consent to a request for a withdrawal
that is otherwise not permitted you may have to pay a penalty. The
penalty will be an amount equal to: 3MONTH

interest on the amount withdrawn.

Renewal Policy:

☐ Single Maturity: If checked, this account will not automatically
renew. Interest ☐ will ☐ will not accrue after maturity.

☒ Automatic Renewal: If checked, this account will automatically
renew on the maturity date. (see page two for terms)
Interest ☒ will ☐ will not accrue after final maturity.

ACCOUNT OWNERSHIP: You have requested
and intend the type of account marked below.

- ☐ Individual
☐ Joint Account - With Survivorship (and not as tenants in common)
☐ Joint Account - No Survivorship (as tenants in common)
☐ Trust: Separate Agreement Dated _____
☒ Corporation

☐ Revocable Trust or ☐ Pay on Death
Designation as defined in this agreement
(Beneficiaries' names and addresses)

BACKUP WITHHOLDING CERTIFICATIONS

TIN: 87-0277621

☒ Taxpayer I.D. Number - The Taxpayer
Identification Number shown above (TIN) is
my correct taxpayer identification number.

☐ Exempt Recipients - I am an exempt
recipient under the Internal Revenue Service
Regulations.

☒ Backup Withholding - I am not subject
to backup withholding either because I have
not been notified that I am subject to backup
withholding as a result of a failure to report
all interest or dividends, or the Internal
Revenue Service has notified me that I am no
longer subject to backup withholding.

A provision for my signature, certifying
under penalty of perjury the statements
checked in this section and that I am a U.S.
person (including a U.S. resident alien), is
contained on the first copy of this
certificate.

COPY

ENDORSEMENTS - SIGN ONLY WHEN YOU REQUEST WITHDRAWAL

X _____
X _____
X _____



JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

State of Utah
DEPARTMENT OF NATURAL RESOURCES
Division of Oil, Gas & Mining

MICHAEL R. STYLER
Executive Director

JOHN R. BAZA
Division Director

Addendum #1 to the Reclamation Contract

Redmond Minerals, Inc., Redmond Minerals Mine, M/039/002
February 12, 2007

Mr. Rhett Roberts, Director
Redmond Minerals, Inc.
6005 North 100 West
Redmond, Utah 84652

The Division has received a replacement reclamation surety in the form of a letter of credit. As a result of this change, a review has occurred resulting in the bulleted changes as shown in the bullets below.

This letter serves as an acknowledgment and approval of the following:

- **SURETY and SURETY COMPANY: Letter of Credit, Bank of American Fork;**
- **SURETY AMOUNT AND ACCOUNT NUMBERS: 523-1, \$258,100.00, two hundred and fifty eight thousand one hundred dollars;**
- **OPERATORS OFFICERS AND TITLE: RUSTY BASTIAN, President; J. DOUGLAS ANDERSON, Vice President; JAY BOSSHARDT, Treasurer;**
- **LANDS AFFECTED: Any revisions after February 5, 2005 are identified in the Notice of Intention to Conduct Mining Operations as amended;**
- **MAP: Any revisions after February 5, 2005 are identified in the Notice of Intention to Conduct Mining Operations as amended**

Nothing herein contained shall vary, alter, or extend any provision or condition of the Reclamation Contract.

To the extent any conflict exists between this addendum and the Reclamation Contract, these terms shall control.

Please acknowledge with your signature, make a copy, and return this letter with original signature to the Division.

Reclamation Contract Addendum #1

1594 West North Temple, Suite 1210, P.O. Box 145801, Salt Lake City, UT 84114-5801
telephone (801) 538-5240 • facsimile (801) 359-3940 • TTY (801) 538-7458 • www.ogm.utah.gov
M/039/002

Page 2 of 2

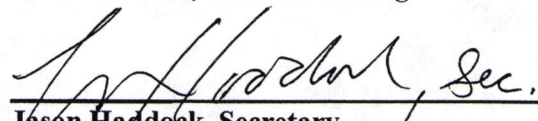
The below signed, acknowledge and accept these revisions and incorporate them into the February 5, 2005 Reclamation Contract.

ACCEPTED BY:



John R. Baza, Director
Division of Oil, Gas and Mining

2/14/07
Date



Jason Haddock, Secretary
Redmond Minerals, Inc.

3/13/07
Date

COPY



State of Utah

Department of Natural Resources

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas & Mining

JOHN R. BAZA
Division Director

JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

March 15, 2007

Mr. Richard W. Thomsen, Senior Vice President
Bank of American Fork
1280 South 800 East
Orem, Utah 84097

Subject: Authorization for Release of Certificate of Deposit (CD) and Termination of CD Letter Agreement, Redmond Minerals, Inc., Redmond Minerals Mine, M/039/002, Sanpete County, Utah

Dear Mr. Thomsen,

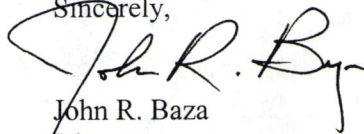
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The Operator, Redmond Minerals, Inc., has substituted this form of surety with another that has received Division approval. Therefore:

- The Division authorizes Bank of American Fork to release the full deposit amount of \$258,100.00 along with any accrued interest to the Owners, or their legal successors-in-interest;
- The unconditional control of the CD shall be returned to the Owner;
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If you have any questions or require further discussion regarding the content of this letter, please contact Ms. Beth Ericksen, (801) 538-5318.

Sincerely,


John R. Baza
Director

JRB:BE:be
enc: cd letter agreement
cc:

Lynn Kunzler, OGM
Beth Ericksen, OGM
Jason Haddock, Redmond Minerals 475 W 910 S HEBER CITY UT 84032
P:\GROUPS\MINERALS\WP\M039-Sanpete\M0390002-SouthRcsSalt\final\releasecdredmond.doc





JON M. HUNTSMAN, JR.
Governor
GARY R. HERBERT
Lieutenant Governor

State of Utah
DEPARTMENT OF NATURAL RESOURCES
Division of Oil, Gas & Mining

MICHAEL R. STYLER
Executive Director

MARY ANN WRIGHT
Acting Division Director

February 17, 2005

Bank of American Fork
1280 South 800 East
Orem, Utah 84097

SUPERCEDED

RECEIVED

FEB 17 2005

Surety replaced with
letter of credit 3/27/07
DIV OF OIL GAS & MINING

Attention: Richard Thomsen, Senior Vice President

Subject: Reclamation Surety, Certificate of Deposit for Redmond Minerals, Inc.'s Redmond Minerals Mine Site, M/039/002, Sanpete/Sevier County, Utah
Certificate of Deposit no. 70027635; Principal Amount \$258,100.00

This letter describes the mutually agreed upon instructions of the below signed parties to Bank of American Fork Bank ("Bank"), regarding the control, redemption, and release of Bank's above-described certificate of deposit ("CD"), which is being used as a surety to guarantee the availability of reclamation funds for the Redmond Minerals mine site ("Mine Site"), Sanpete/Sevier County, Utah. It is the intention of the parties that the CD be utilized as surety to guarantee that \$258,100.00 in reclamation funds will be available to the State of Utah, Division of Oil, Gas & Mining ("Division") upon demand in the event that the operator(s) of the Mine Site are unable or unwilling to complete reclamation of the mine site in compliance with applicable state law and regulations.

Ownership and Renewal:

Ownership of the CD is retained by Redmond Minerals, Inc., a Utah corporation, ("Owners"), but it is held by Bank for the benefit of the State of Utah, Division of Oil, Gas & Mining and is subject to the terms and conditions described in this agreement. The CD shall automatically renew indefinitely until either redeemed or released by the Director of the Division.

Redemption:

The CD may only be redeemed (i.e., called on demand), pursuant to the written instruction or demand of the Director of the Utah Division of Oil, Gas & Mining to the Bank. Upon the instruction and demand of the Director, the full initial amount of the CD shall be transferred to the State of Utah, Division of Oil Gas and Mining. Owners agree and irrevocably instruct Bank that neither the Owner(s), nor any other person

claiming an ownership interest in the CD which is derived from the Owners, shall have the authority to prevent the Bank from carrying out the Director's instruction to redeem the CD. Upon redemption, any accrued interest in excess of the initial amount of the CD shall be transferred to Owners' control, or if Owners do not instruct the Bank, the accrued interest shall be reinvested in the CD. If a signature card is prepared, it shall be drafted consistent with the requirement that only the Director of the Division may redeem the CD.

SUPERSEDED

Release:

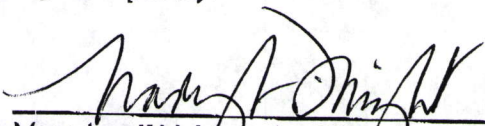
The bank shall release the CD only upon the written instruction of the Director of the Division to the Bank. Upon release, the terms and conditions of this agreement are no longer in effect, and the unconditioned control of the CD shall be returned to the Owners, or their legal successors-in-interest.

Accrued Interest:

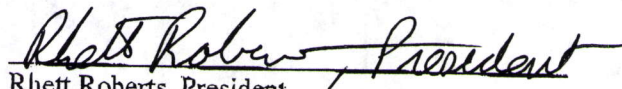
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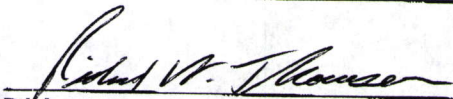
Agreed Upon By:


Mary Ann Wright, Acting Director
Utah Division of Oil, Gas & Mining

Date: 2/25/05


Rhett Roberts, President
Redmond Minerals, Incorporated
Tax ID Number: 87-0277621

Date: 2/16/05


Richard Thomsen, Senior Vice President
Bank of American Fork

Date: 2/16/05

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Date
Opened: 02/16/05 Term: 60 Month(s) Tax
ID: Number:

Certificate of Deposit

Account Number

Amount of

Deposit: Two hundred fifty eight thousand one hundred & no/100 \$ 258,100.00

This Time Deposit is Issued to:

Issuer:

REDMOND MINERALS, INC.
HELD FBO STATE OF UTAH DIVISION OF
OIL, GAS AND MINING
HOLD STATEMENT FOR LARRY MINER

1280 South 800 East
Provo, UT 84057

SUPERCEDED Bank of American Fork

Not Negotiable - Not Transferable - Additional terms are below.

By Angie Welling
ANGIE WELLING

Additional Terms and Disclosures

This form contains the terms for your time deposit. It is also the Truth-in-Savings disclosure for those depositors entitled to one. There are additional terms and disclosures on page two of this form, some of which explain or expand on those below. You should keep one copy of this form.

Maturity Date: This account matures 02/16/10
(See below for renewal information.)

Rate Information: The interest rate for this account is 3.9000 %
with an annual percentage yield of 3.96 %. This rate will be
paid until the maturity date specified above. Interest begins to accrue on
the business day you deposit any noncash item (for example, a check).
Interest will be compounded N/A
Interest will be credited quarterly
deposited to Checking #

☒ The annual percentage yield assumes that interest remains on deposit
until maturity. A withdrawal of interest will reduce earnings.

☒ If you close your account before interest is credited, you will not
receive the accrued interest.

The **NUMBER OF ENDORSEMENTS** needed for withdrawal or any
other purpose is: 1

Minimum Balance Requirement: You must make a minimum deposit to
open this account of \$ 100,000.00

☒ You must maintain this minimum balance on a daily basis to earn the
annual percentage yield disclosed.

Withdrawals of Interest: Interest ☐ accrued ☐ credited during a
term can be withdrawn:

Early Withdrawal Penalty: If we consent to a request for a withdrawal
that is otherwise not permitted you may have to pay a penalty. The
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interest on the amount withdrawn.

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☐ **Single Maturity:** If checked, this account will not automatically
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and intend the type of account marked below.

- ☐ Individual
☐ Joint Account - With Survivorship (and not as tenants
in common)
☐ Joint Account - No Survivorship (as tenants in common)
☐ Trust: Separate Agreement Dated
☒ Corporation

☐ Revocable Trust or ☐ Pay on Death
Designation as defined in this agreement
(Beneficiaries' names and addresses)

BACKUP WITHHOLDING CERTIFICATIONS

TIN: 87-0277621

☒ **Taxpayer I.D. Number** - The Taxpayer
Identification Number shown above (TIN) is
my correct taxpayer identification number.

☐ **Exempt Recipients** - I am an exempt
recipient under the Internal Revenue Service
Regulations.

☒ **Backup Withholding** - I am not subject
to backup withholding either because I have
not been notified that I am subject to backup
withholding as a result of a failure to report
all interest or dividends, or the Internal
Revenue Service has notified me that I am no
longer subject to backup withholding.

A provision for my signature, certifying
under penalty of perjury the statements
checked in this section and that I am a U.S.
person (including a U.S. resident alien), is
contained on the first copy of this
certificate.

COPY

ENDORSEMENTS - SIGN ONLY WHEN YOU REQUEST WITHDRAWAL

X
X
X



JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

State of Utah
DEPARTMENT OF NATURAL RESOURCES
Division of Oil, Gas & Mining

MICHAEL R. STYLER
Executive Director

JOHN R. BAZA
Division Director

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February 12, 2007

Mr. Rhett Roberts, Director
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6005 North 100 West
Redmond, Utah 84652

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1594 West North Temple, Suite 1210, P.O. Box 145801, Salt Lake City, UT 84114-5801
telephone (801) 538-5240 • facsimile (801) 359-3940 • TTY (801) 538-7458 • www.ogm.utah.gov

Page 2 of 2

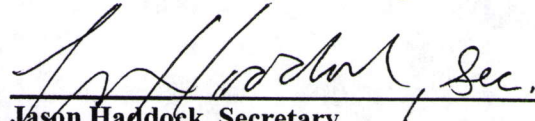
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ACCEPTED BY:



John R. Baza, Director
Division of Oil, Gas and Mining

2/14/07
Date



Jason Haddock, Secretary
Redmond Minerals, Inc.

3/13/07
Date

